

When recorded, mail to  
Trico Western, 1845 McCulloch Blvd., Suite A-103  
Lake Havasu City, Arizona 8640

record using  
Mobile Court  
Book 462  
Pg. 378-342

BYLAWS OF  
THE ISLES ASSOCIATION

ARTICLE I

Offices

The principal office of this corporation shall be 1401 McCulloch Boulevard, Lake Havasu City, Arizona 86403. Offices may also be maintained at such other place or places, either within or without the State of Arizona, as may be designated from time to time by the Board of Directors, or as the business of the corporation may require.

ARTICLE II

Membership

1. Qualifications: Each owner, including Declarant, shall be a Member of this Corporation and shall be entitled to one membership for each Unit owned. Ownership of a Unit shall be the sole qualification for membership in this Corporation. Each Owner shall remain a Member until such time as his ownership of a Unit ceases for any reason, at which time his membership in this Corporation shall automatically cease. The foregoing is not intended to include persons or entities who hold an interest merely as security for performance of an obligation.

2. Members' Rights and Duties: Each Member shall have the rights, duties and obligations set forth in the Declaration of Horizontal Property Regime together with Covenants, Conditions and Restrictions, these Bylaws or the Articles adopted by the Corporation, the Association rules, and the Architectural Committee rules, as the same may from time to time be amended.

3. Transfer of Membership: The Corporation membership of each Owner (including Declarant) shall be appurtenant to the Unit giving rights to such membership and shall not be assigned, transferred, pledged, hypothecated,

conveyed or alienated in any way except upon a transfer of title to said Unit. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Unit shall operate automatically to transfer the membership in this Corporation appurtenant thereto to the new Owner thereof.

### ARTICLE III

#### Membership Meetings and Voting

1. Number of Votes: This Corporation shall have two (2) classes of voting membership:

Class A: Class A Members shall be all the Owners, with the exception of Declarant, and shall be entitled to one (1) vote for each Unit owned. When more than one (1) person is the Owner of a Unit, all such persons shall be members. The vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any one Unit.

Class B: Class B Member shall be the Declarant and shall be entitled to three (3) votes for each Unit owned. Class B membership shall cease and automatically be converted to Class A membership on the happening of any one of the following events, whichever occurs earliest:

- (a) When the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership; or
- (b) The expiration of three (3) years from and after the issuance by the Arizona Department of Real Estate of a Final Subdivision Public Report covering said property; or
- (c) March 31, 1982.

2. Voting Rights: Those Owners appearing of record in the office of the Mohave County Recorder at 8:00 A.M. on the day immediately preceding the date of any meeting of the Owners required or permitted to be held hereby shall be entitled to vote at said meeting. Except as otherwise set forth above for Units owned by Declarant, there shall be one (1) vote for each Unit, and any Owner owning or representing more than one Unit shall be entitled to cast one vote for each Unit which he may own or represent. If there is more than one record Owner for any Unit, any and all of such Owners may attend any meeting of the Owners, but the vote attributable to the Unit so owned shall not be increased by reason thereof. The vote attributable to such Unit, and to the Owners thereof, shall be cast only by the Owner holding a majority interest in such Unit, or if there is no such majority Owner, then by the Owner representing a majority interest in said Unit, provided that written notice of such representation signed by Owners holding a majority interest in such Unit has been filed with the Board prior to such meeting. All votes must be cast as a unit and fractional votes shall not be allowed. If a Unit is owned by a husband and wife, then unless the parties agree and notify the Board in writing to the contrary, the husband shall represent and vote for such Unit. In the event of any dispute as to entitlement of any Owner to vote or the results thereof, the Board shall act as arbitrators and a decision of the disinterested majority of the Board (including a decision to disregard or void all votes where there is no agreement or a dispute as to the voting rights of joint Owners) shall, if rendered in writing, be final and binding as an arbitration award; provided, however, that the Board shall have no jurisdiction to determine any matters relating to Declarant's entitlement to vote or the manner of

Declarant's exercise thereof. All voting may be viva voce or by secret ballot, provided that all elections for Members of the Board must be by secret ballot upon demand by any Owner prior to the commencement of voting.

3. Cumulative Voting: Every Owner, including Declarant, entitled to vote at any election of Members of the Board shall be allowed to cast its votes cumulatively and give one candidate the number of votes equal to the number of Members to be elected multiplied by the number of votes to which such Owner or Declarant is entitled, or distribute its vote on the same principle among as many candidates as it thinks fit. The candidates receiving the highest number of votes up to the number of Members to be elected shall be deemed elected.

4. Proxies: Every Owner, including Declarant, entitled to vote or to exercise consents may do so either in person or by one or more representatives authorized by an instrument in writing filed with the Board. Any designation of a representative to act for an Owner or Declarant may be revoked at any time by written notice to the Board or by the attendance by said Owner or Declarant at the meeting for which such designation was given and his election to vote in person.

Initial Meeting: The Initial Meeting of this Corporation shall be held at 9:00 A.M. on the third Monday in September, 1978 or at Declarant's option, after ninety percent (90%) of the Units are conveyed to purchasers, or on such date within five (5) business days thereof as may be designated by the Board.

Place of Meeting: All annual, special and other meetings of the Owners shall be held at such place within the Project or as close as practicable thereto, as may be designated for that purpose from time to time either by

the Board or by the written consent of all persons entitled to vote at such meeting, given either before or after the meeting and filed with the Secretary of the Board. In the absence of any such designation or written consent, such meetings shall be held at said Property. In no event shall any meeting be held more than ten (10) miles from said property without the prior written consent of all Owners.

Annual Meetings: Commencing with the Initial Meeting, the Owners shall meet annually on the third Monday in September, at the hour of 9:00 A.M. or at such other time, and at such place as shall be designated in writing to the Owners by the Secretary of the Board; provided, however, that such other time may not be more than sixty (60) days before or after the date herein established as the date for the date for the annual meeting. At the annual meeting, the Owners shall elect the Board of Directors, consider reports of the Board, including a report of the common expenses for the past year, an allocation of such expenses to each of the Owners and an estimate of common expenses for the coming year, and transact such other business as may be brought before the meeting.

Special Meetings: Special Meetings of the Owners, for any purpose or purposes whatsoever, may be called at any time by any two or more Members of the Board or by the Owners of a majority of the Units, by delivery to the President or Secretary of the Board, either by registered mail or personally, a written request to call a meeting of the Owners. Business considered shall be limited to that stated in the notice of the special meeting. Upon the receipt of such request, it shall be the duty of such officer forthwith to cause notice of said special meeting to be given to each Owner that a meeting will be held at such time as such officer may fix, but in any event not less

than ten (10) days nor more than sixty (60) days after the receipt of such request. If such notice shall not be given within seven (7) days after the date of delivery of such request, the person or persons calling such meeting may fix the time thereof and give notice thereof in the manner provided, by giving at least ten (10) days written notice thereof.

Notice of Meetings: Notice of any annual, special or other meeting of Owners shall be given in writing to each Owner. Such notice shall be given by the Secretary of the Board or other Officer as may be designated by the Board except as herein otherwise provided. Such notice may be delivered either personally or by United States mail, addressed to the Owner to whom it is directed at the address of the Unit owned by such Owner, or at such other address as may be supplied to the Board by said Owner, not less than ten (10) days prior to the date of the meeting. Any notice so given by United States Mail shall be deemed to have been delivered twenty-four (24) hours after said notice has been deposited in the United States mail, postage prepaid, addressed to the person to whom notice is directed. All such notices shall specify the place, day and hour of the meeting and in the case of special meetings, the general nature of the business to be transacted thereat.

Waiver of Notice: The transactions at any meeting of Owners, either annual or special, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the persons entitled to vote, not present in person or by proxy, signs a written waiver of notice, a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the Board and made a part of the minutes

of any meetings of the Owners for which the same is made.

Action without Meeting: Any action which may be taken at a meeting of the Owners may be taken without a meeting if consent thereto is given in writing by all of the Owners who would be entitled to vote at a meeting for such purpose, and such consent is filed with the Board.

Quorum: The presence of the Owners representing a majority of Units, whether in person or represented by proxy, shall constitute a quorum at any meeting of the Owners required or permitted to be held hereby. Unless otherwise expressly provided herein, any action may be taken at any meeting of the Owners upon the affirmative vote of a majority of Owners representing Units voting thereat. If a quorum shall not be present or represented at any meeting of the Owners, those present in person or by proxy and who are entitled to vote shall have the power to adjourn such meeting from time to time until a quorum is present. Notice of the time and place of the holding of any meeting after adjournment need not be given except at said adjourned meeting. At such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally noticed.

Order of Business: The order of business at all meetings of the Owners shall be as follows:

- (a) Roll Call;
- (b) Proof of Notice of Meeting;
- (c) Reading of Minutes of Preceeding Meeting;
- (d) Reports of Officers;
- (e) Report of Board of Directors;
- (f) Reports of Committees;
- (g) Election of Inspectors of Election (when required);

- (h) Election of Members of the Board of Directors (when required);
- (i) Unfinished Business;
- (j) New Business; and
- (k) Adjournment

Parliamentary Rules: Roberts' Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with this Declaration, Articles of Incorporation or the bylaws.

Waiver of Irregularities: All inaccuracies and/or irregularities in calls, notices of meeting and in the manner of voting, form of proxies, credentials and method of ascertaining those present shall be deemed waived if no objection is made at the meeting.

#### ARTICLE IV

##### Board of Directors

Creation: There is hereby created a Board of Directors which shall consist of three (3) Members, each of whom must at all times during his tenure, subject to the provisions hereof relating to the Interim Board, be an Owner.

Interim Board: Until the Initial Meeting of the Board of Directors, Declarant shall appoint the members of same who shall constitute and function as the Board of Directors. Such appointees need not be Owners. Prior to the election held at the Initial Meeting, Declarant may, from time to time, remove all or any of the Board members, fill vacancies and exercise all of the rights which are hereby reserved or delegated to the Owners with respect to the Board. The Interim Board and Declarant's powers with respect thereto (except those that Declarant possesses by virtue of being an Owner) shall immediately cease upon the election of the new Board of the Initial Meeting.

Election and Tenure: The initial term of office of one-half (1/2) of



the Board members (or if such number is not an even number, then the term of one-half (1/2) of one less than the number of Board members) shall be one (1) year and the term of the remaining Board members shall be two (2) years. At the expiration of the initial full term of office of each Board member, his successor shall be elected to serve for a term of two (2) years. For purposes of this paragraph, the period of time between the Initial Meeting of the Owners and the first annual meeting shall be deemed to be one (1) year.

Board members shall serve for a term of two (2) years (except for those elected at the Initial Meeting whose term shall be as hereinabove provided) without compensation, and until their successors are duly elected or until their death, resignation or removal. The term of office of the members of the Board of Directors shall begin immediately after election. If any Unit shall be owned by a corporation, any officer, director, employee or agent of said corporation may serve upon the Board and any such corporation owning more than one Unit may hold more than one seat upon the Board.

Notice of Election: After the first election of the Board at the Initial Meeting, Declarant or its representative shall execute and acknowledge an affidavit stating the names of the persons elected to membership on the Board which shall be filed with the minutes of such meeting. Thereafter, any two (2) persons who are designated of record as being members of the most recent Board (regardless of whether or not they shall still be members) or any two (2) Board members may execute and acknowledge an affidavit stating the names of all of the members of the then current Board and file such affidavit with the minutes of the meetings of the Owners. The affidavit most recently filed shall be prima facie evidence that the persons named therein are all of the incumbent members of the Board and shall be conclusive evidence

thereof in favor of all persons who rely thereon in good faith.

Vacancies: Vacancies on the Board may be filled by the remaining members of the Board or by the sole remaining Board member if such be the case, or by a vote of the Owners, and the member or members filling such vacancy shall hold office for the duration of the term of the member which he or she is replacing and until his or her successor is elected by the Owners. A vacancy or vacancies shall be deemed to exist in the case of the death, resignation, removal or incapacity of any member of the Board; if any Board member is declared of unsound mind by an order of court; if any Board member is convicted of a felony; if within sixty (60) days after his election, a member does not accept his or her office either in writing or by attending a meeting of the Board; if the Owners shall increase the authorized number of members, and shall fail at the meeting at which such increase is authorized, or at an adjournment thereof, to elect the additional member or members of the Board so provided for; in the event that the Owners fail at any time to elect the full number of authorized Board members; or if any member ceases to be an Owner, in which case his or her membership on the Board shall thereupon terminate. If the Board accepts the resignation of a Board member tendered to take effect at a future time, the Board or the Owners, as the case may be, shall have the power to elect a successor to take office when such resignation shall become effective. No reduction of the number of Board members shall have the effect of removing any Board member prior to the expiration of his term of office.

Removal of Board Members: The entire Board or any individual Board member may be removed from office by the vote of a majority of all Owners entitled to vote at any meeting (regardless of the number of Owners present

at such meeting); provided, however, that unless the entire Board is removed, an individual member shall not be removed if the number of votes against the resolution for his or her removal exceeds the quotient arrived at when the total number of votes actually cast is divided by one plus the authorized number of Board members. If any one or all members are so removed, new members may be elected at the same meeting or at any time thereafter. Any member of the Board whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting prior to the vote on the resolution for his or her removal.

Increase in Number of Board Members: The Owners may, by the vote of a majority of all Owners entitled to vote at any meeting (regardless of the number of Owners present at such meeting) increase or decrease the number of members of the Board, provided that the Owners may not fix the number of Board members at less than three (3) or more than five (5).

By-Laws: The Board is hereby authorized to adopt Bylaws to govern the affairs of the Owners with respect to this Corporation and the Project, which Bylaws shall not conflict with the terms of this Declaration. Bylaws may be amended, adopted or repealed by the vote of the majority of the Board or by a majority of the Owners present at any regular or special meeting thereof. In the event of any conflict between any decision of the Board and the Owners, the decision of the Owners shall be binding.

Organization Meeting: An organization meeting of the Board shall be held immediately following adjournment of the Initial Meeting of the Owners and thereafter following adjournment of the annual meeting of the Owners at which time the Board shall elect officers of the Board.

Regular Meetings: Regular meetings of the Board shall be held on such days and at such times as the Board may hereafter fix by resolution. If said day shall fall upon a holiday, such meeting shall be held on the next succeeding business day thereafter. No notice need be given of such regular meeting.

Special Meetings, Notices, Waiver of Notice: Special meetings of the Board of Directors for any purpose or purposes may be called by the President or by any other two (2) members of the Board. Notice shall be given in the manner provided in Article III hereof for the giving of notice to Owners of a meeting of Owners except that such notice may be given upon twenty-four (24) hours' written notice. Notice of a meeting may be waived at any time by any member of the Board in writing or by attendance in person at such meeting. All such waivers shall be filed with the Board and made a part of the minutes of such meetings, and the transactions of such meetings shall be deemed as valid as if having taken place at a meeting regularly called and noticed. Any meeting may be adjourned and notice of the time and place to which such meeting is adjourned need not be given if the time and place be fixed at the meeting adjourned.

Place of Meetings: Meetings of the Board shall be held at said property or any other location within the County of Mohave, which shall not be more than ten (10) miles from said property without the consent of all Board members, as shall be designated in the notice of meeting.

Quorum: A majority of the Board shall constitute a quorum and in the presence of a quorum, the decision of the majority of those present shall be the act of the Board. If a quorum shall not be present at any such meeting, those present shall have the power to adjourn such meeting from time to time

until a quorum is present but shall not have the power to transact any other business. Notice of time and place to which such meeting is adjourned need not be given if the time and place be fixed at the meeting adjourned. At such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally noticed.

Consent: Any action which may be taken by the Board at a meeting thereof may be taken without a meeting if all Members of the Board shall individually consent in writing to such action and such consents are filed with the minutes of the proceedings of the Board.

Rules and Regulations: The Board is hereby authorized to adopt reasonable rules and regulations to govern the operation of the Project and the duties and responsibilities of the Owners with respect thereto, provided that said rules and regulations do not conflict with the terms of the Declaration of Horizontal Property Regime together with Covenants, Conditions and Restrictions. The rules and regulations may be amended or repealed by a vote of the majority of the Board or of the Owners at any regular or special meeting thereof. If there should be a conflict between any rules and regulations adopted by the Owners and those adopted by the Board, whose rules and regulations adopted by the Owners shall govern.

#### ARTICLE V

##### Officers

Officers: The officers of the Board shall be and consist of a President, Vice President, Secretary and Treasurer, and such other officers of the Board may from time to time create by resolution. Any two offices may be held by the same person, provided that the same person may not hold the office of President and Vice President or the office of President or Vice President and Secretary.

Duties of Officers:

(a) President: The President shall preside at all meetings of the Board as well as Owners meetings; shall see that orders and resolutions of the Board are carried out; shall sign all written instruments authorized to be executed by the Board, as otherwise provided herein; shall have the power to appoint committees from among the Owners or Board from time to time as he may, in his discretion, decide appropriate to assist in the conduct of the affairs of the Project; and shall discharge such other duties as may be required of him by the Board.

(b) Vice President: The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary: The Secretary shall record the votes and keep minutes of all meetings and proceedings of the Board and of the Owners; shall serve notice of all meetings of the Board and of the Owners; shall keep, or cause to be kept, appropriate current records showing the names of the Owners and the Owner representing any Unit which does not have an Owner with a majority interest therein; and shall perform such other duties as may be required by the Board.

(d) Treasurer: The Treasurer shall hold and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the Board; and shall keep proper books of account; shall prepare an annual budget of receipts and expenditures to be presented to the Owners, and shall cause a copy thereof to be delivered to the Owners; and shall perform such other duties as may be required by the Board. The Board

may authorize that some of said functions of the Treasurer shall be performed by others.

#### ARTICLE VI

##### Instruments and Documents; Contracts, Loans, Checks and Deposits

1. Documents and Obligations: The President or Vice President of the Corporation may sign any deeds, mortgages, bonds, contracts, notes and other evidence of debt, or other instruments or documents which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed.

2. Checks: All checks, drafts or other orders for the payment of money issued in the name of the Corporation shall be signed by such officer or agent of the Corporation, and in such manner, as shall from time to time be determined by resolution of the Board of Directors.

3. Attestation: The Vice President, the Secretary, or any Assistant Secretary may attest the execution of any instrument or document by the President or any other duly authorized officer or agent of the Corporation, and may affix the corporate seal in witness thereof, but neither such attestation nor the affixing of the corporate seal shall be required for the effectiveness or validity of any such document or instrument.

4. Deposits: All sums of the Corporation not otherwise employed or needed in the ordinary business affairs of the Corporation shall be deposited, from time to time, to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VII

Seal

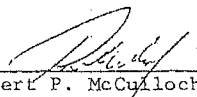
The Corporation shall have a seal consisting of two concentric circles having in the intermediate space the words THE ISLES ASSOCIATION, 1978, and in the center the words "CORPORATE SEAL".

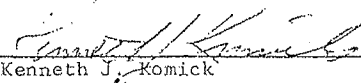
ARTICLE VIII

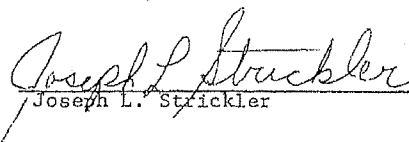
Fiscal Year

The fiscal year of the Corporation shall commence on the 1st day of July of each year, and shall close on the 30th day of June of each year.

ADOPTED by the Board of Directors of THE ISLES ASSOCIATION this 15 day of MAY, 1978.

  
Robert P. McCulloch, Jr.

  
Kenneth J. Komick

  
Joseph L. Strickler

FEE # 75-13383

Recorded at the Request of \_\_\_\_\_

on MAY 15 '78 - 3:55 PM

in Book 462 of OFFICIAL RECORDS,

Page(s) 328 - 343

Records of Mohave County, Arizona.

\_\_\_\_\_  
Joan McCall

Mohave County Recorder

By \_\_\_\_\_ Deputy 856